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HOW NEW YORK FARMERS ARE CUTTING THE COST OF MILK
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A radio talk by V. B. Hart, New York Extension Service, Ithaca, New York, delivered Wednesday, October 19, in the Land-Grant College program, broadcast by a network of 47 associate NBC radio stations.

The farm price of milk in New York has declined a third since a year ago and is now about a fourth below prewar. Retail prices of farm equipment are about 50 per cent above pre-war, and farm taxes about double what they used to be. The New York State dairyman now has to sell about twice as many cans of milk as formerly to cover operating expenses.

The present low price of milk is in part due to demoralized market conditions and our farmers are attempting, by organized action, to remedy this. But they are also not forgetting to use their Yankee ingenuity to figure out ways of cutting costs on the individual farm. The immediate problem of the New York dairyman is that of figuring out ways of increasing his income with a minimum cash expenditure.

Farm prices in New York are about a fourth below prewar, but retail prices are still nearly a half higher than pre-war. One way of retailing is by selling more to the farm family itself. Food may be cheap at the farm, but by the time it has left one farm, gone through the channels of trade, and back to another farm, it has accumulated some high handling charges. Therefore the average New York farm family is buying less from town and getting more of its living from the farm. We can't compete with the west in the production of beef as a sales product, but one way in which our dairymen are cutting their family-living costs is by eating up some of their surplus cows instead of buying meat over the butcher's block in town.

So if some of you city residents, who are out of a job, plan on taking the family out to the old farm for a vacation without pay--but with a place to sleep and something to eat--you can expect to eat more dried beef and corned beef and less sirloin steak than on your last visit. And by the way, don't forget that it takes twice as many cans of milk as formerly to buy a given piece of farm equipment. So take along an old suit of clothes and see if you can't earn your corned beef and cabbage by doing a little repair work around the farm.

Dairying is a business that uses credit. The cheapest place to get credit is usually at a bank. In times like these, banks are rather particular to whom they loan money. Our dairymen are aware of that fact and have been building up good credit standings at their local banks by taking annual inventories and filing credit statements. Last year over twenty thousand New York farmers put their farms on a business basis by taking an annual inventory and filing a credit statement at a bank.

In an attempt to meet the immediate situation, the New York dairyman is not forgetting the long-time outlook. New York State produces around seven billion pounds of milk per year. That is a lot of milk. In fifteen months, we produce enough to fill a row of quart bottles that would reach from the earth to the moon. Milk has paid more farm taxes and mortgages in New York State

(over)

than any other farm product, and over a period of years will probably continue to do so. Right now, we happen to be on the down-hill side of the dairy-cow cycle and probably can expect several more years of relatively low prices before the cycle starts up again. Our dairymen are preparing for the up-turn in the cow cycle by building up tuberculosis and abortion-free herds while cows are cheap.

In speaking of ways in which New York dairymen are cutting their costs of production, I feel that I should say just a word about the use that our farmers are making of those educational agencies they themselves have helped to establish. I mean our State and Federal Agricultural Extension Service, our Farm and Home Bureaus, our high school agricultural departments, our Grange, and our sound agricultural cooperative business organizations.

There has never been a time when these agencies were more needed by the dairy farmer than now, and they are staunchly supporting those agencies and organizations that they have helped to establish. We, of course, hear considerable talk about cutting the cost of government and public service agencies, but the farmers of New York State have seen to it that agricultural extension work has been maintained in every one of our 55 agricultural counties.

In closing, let me say again that the dairy industry has paid more farm mortgages and taxes in New York State than any other farm enterprise. The price of milk is low and our dairymen are facing a very difficult situation, but I have faith in the dairy industry and faith that the dairy farmers of New York State have the ingenuity and business judgment that will enable them to meet both the present and the future problems of the dairy industry.